



STATE BOARD OF EQUALIZATION

320 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 1799, SACRAMENTO, CALIFORNIA 95808)

(916) 445-4982

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First District, Los Angeles
ERNEST J. DRONENBURG, JR.
Second District, San Diego
WILLIAM M. BENNETT
Third District, Kentfield
RICHARD NEVINS
Fourth District, Pasadena
KENNETH CORY
Controller, Sacramento
DOUGLAS D. BELL
Executive Secretary
No. 85/04

January 8, 1985

TO COUNTY ASSESSORS:

SOUTHERN PACIFIC CO., et al. v. SBE
SAN FRANCISCO SUPERIOR COURT NO. 828815

In keeping with the mandatory provisions of Government Code Section 15606, and in response to the various inquiries we have received regarding the action initiated by the Southern Pacific Company in Southern Pacific Company, et al. v. State Board of Equalization, San Francisco Civil No. 828815, this letter is to advise you of a preliminary injunction issued by the San Francisco County Superior Court in this matter.

On November 26, 1984, a preliminary injunction, copy attached, was issued by Judge Roy L. Wonder, Judge of the Superior Court, City and County of San Francisco, in the matter filed by the Southern Pacific Company on its behalf and that of its subsidiaries challenging the opinion issued by the State Board of Equalization regarding the merger of Southern Pacific Company with Santa Fe Industries.

The Board has been advised by the Office of the Attorney General that it "is enjoined from (1) advising the counties to reassess the real property of Southern Pacific's subsidiaries; (2) recommending that the subsidiaries be assessed penalties for not completing change of ownership statements; and (3) requiring the subsidiaries to furnish property descriptions."

The Southern Pacific response to the State Board of Equalization brief states that the injunctive relief is directed only at the State Board of Equalization, not the local county assessors. County assessors are not bound by this injunction and must determine to their individual satisfaction whether a change of ownership reassessment is proper.

Should you have any questions or comments, please feel free to contact the Deputy Attorney General handling this matter, Mr. Julian O. Standen at (415) 557-1369.

Sincerely,

A handwritten signature in cursive script that reads "Verne Walton".

Verne Walton, Chief
Assessment Standards Division

VW:sk
Enclosure

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Professional Corporation
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11 Attorneys for Plaintiffs
12
13
14
15

ENDORSED
FILED
San Francisco County Superior Court

NOV 26 1984

DONALD W. DICKINSON, Clerk

BY: S. Douglas

Deputy Clerk

13 SUPERIOR COURT OF THE STATE OF CALIFORNIA
14 FOR THE CITY AND COUNTY OF SAN FRANCISCO
15

16 SOUTHERN PACIFIC COMPANY, a
Delaware corporation; SOUTHERN
17 PACIFIC LAND COMPANY, a
California corporation; SOUTHERN
18 PACIFIC DEVELOPMENT COMPANY, a
California corporation; ONE
19 MARKET STREET PROPERTIES, INC.,
a California corporation;
20 SOUTHERN PACIFIC INDUSTRIAL
DEVELOPMENT COMPANY, a Texas
21 corporation; BRAVO OIL COMPANY,
a Texas corporation; and SOUTHERN
22 PACIFIC PIPE LINES, INC., a
Delaware corporation,
23

No. 828815

PRELIMINARY INJUNCTION

24 Plaintiffs,

25 vs.

26 STATE BOARD OF EQUALIZATION,

27 Defendant.
28 / / /

1 The motion of the Plaintiffs herein for a Preliminary In-
2 junction, having come on for hearing before the undersigned on
3 November 8, 1984, pursuant to Notice of Motion and a Stipulation
4 for Continuance to this date, and Plaintiffs being represented by
5 Robert J. Foley, Attorney at Law, of Foley, McIntosh & Foley,
6 Professional Corporation, and Defendant, STATE BOARD OF EQUALIZA-
7 TION, being represented by John K. Van De Kamp, Attorney General o
8 the State of California, with Julian O. Standen, Deputy Attorney
9 General appearing. The matter was argued and documentary evidence
10 having been received through the pleadings, Points and Authorities
11 with exhibits both in support of injunctive relief and in opposi-
12 tion thereto from all parties, and it appearing to this Court that
13 great and irreparable injury will be suffered unless this injunctio
14 be issued;

15 IT IS HEREBY ORDERED that Defendant STATE BOARD OF EQUALI-
16 ZATION, be enjoined pending the trial of this matter as follows:

17 1. From advising or directing county assessors of California
18 counties to reappraise and reassess the real properties of the
19 plaintiffs which are wholly-owned subsidiaries of SOUTHERN PACIFIC
20 COMPANY because of the combination which created Santa Fe Southern
21 Pacific Corporation and SOUTHERN PACIFIC COMPANY becoming a wholly-
22 owned subsidiary of Santa Fe Southern Pacific Corporation.

23 2. From threatening penalties or recommending penalty status
24 of SOUTHERN PACIFIC COMPANY subsidiaries which own land to county
25 assessors of California counties claiming that said corporations
26 have failed to properly complete and file Change of Ownership
27 Statements and are subject to penalties under Revenue and Taxation
28 Code Section 482(b).

3. From demanding that Plaintiffs concede that a change of ownership has occurred by furnishing property descriptions and assessor's parcel numbers of said property.

IT IS FURTHER ORDERED that Plaintiff maintain a bond in the sum of \$ 500,000 pending trial and judgment herein.

DATED: NOV 23 1984, 1984.

ROY L WONDER

Judge of the Superior Court